



Nassau County

Department of Purchasing

Staff Summary

A-10-2015

Subject: IRobot 510 Robotic System (RQFC15000002)
Department Office Of Purchasing
Department Head Name Frank Intagliata
Department Head Signature

Date January 23, 2015
Vendor Name IRobot Corporation
Contract Number A-10-2015
Contract Manager Name Linda A. Mills, Food Inspector 1

Proposed Legislative Action					
	To	Date	Approval	Info	Other
	Assgn Comm				
	Rules Comm				
	Full Leg				

Internal Approvals			
Date & Init.	Approval	Date & Init.	Approval
	Dept. Head	2/20/15	Counsel to C.E.
	Budget	2/16/15	County Atty.
2/16/15	Deputy C.E.	2/16/15	County Exec.

Narrative

Purpose:

To award and authorize a Purchase Order for an IRobot 510 Robotic System for the Nassau County Fire Commission.

Discussion:

IRobot is the sole source manufacturer, including software of IRobot 510 PACKBOT used for the investigation and disposal of explosive and hazardous materials.

Impact on Funding:

The cost of the IROBOT is One Hundred Fifty Four Thousand Thirty Five Dollars and Seventy Nine Cents (\$154,035.79) which is grant funded in total.

Recommendation:

Office of Purchasing recommends awarding a Purchase Order to IROBOT Corporation, as a sole source vendor.

APPROVED: 2/6/15

2015 MAY 26 P 3:21

RECEIVED
NASSAU COUNTY
CLERK OF THE LEGISLATURE



3 February 2015

Nassau County Fire Marshal's Office
1194 Prospect Ave.
Westbury, NY 11590

Attn: Linda Mills

iRobot Corporation was incorporated under the laws of the state of Delaware on Dec 20, 2000, has a legal corporate existence and is in good standing.

Below is the list of the principals with their addresses.

Colin Angle
PO Box 174
Prides Crossing, MA 01965

Christian Cerda
77 Royalston Road
Wellesley, MA 02481

Alison Dean
3 Baldwin Lane
Hopkinton, MA 01748

Paolo Pirjanian
1870 Maginn Drive
Glendale, CA 91202

Russell Campanello
35 Round Hill Road
Lincoln, MA 01773

Glen Weinstein
227 Lincoln Street
Newton, MA 02461

iRobot appreciates the opportunity to work with Nassau County. Please let us know if you require any additional information

Kamila Blain
Business Product Manager
Defense and Security Business Unit
Office: (781) 430 - 3548
Cell: (774) 230 - 7260
Fax: (781) 268 - 5018
kamila@irobot.com

iRobot Corporation
8 Crosby Dr. MS 6-2
Bedford, MA 01730
www.irobot.com

COUNTY OF NASSAU

INTER – DEPARTMENTAL MEMO

TO: CLERK OF THE COUNTY LEGISLATURE

A-10-2015

FROM: FRANK INTAGLIATA, COMMISSIONER OF SHARED SERVICES
OFFICE OF PURCHASING

DATE: JANUARY 26, 2015

SUBJECT: RESOLUTION–NASSAU COUNTY FIRE COMMISSION

THIS RESOLUTION IS RECOMMENDED BY THE DIRECTOR, OFFICE OF PURCHASING TO AUTHORIZE AN AWARD AND TO EXECUTE A PURCHASE ORDER IN THE AMOUNT OF ONE HUNDRED FIFTY FOUR THOUSAND THIRTY FIVE DOLLARS AND SEVENTY NINE CENTS (\$154,035.79) ON BEHALF OF NASSAU COUNTY FIRE COMMISSION TO IROBOT CORPORATION TO PROVIDE AN IROBOTIC SYSTEM FOR NASSAU COUNTY FIRE COMMISSION.

THE ABOVE DESCRIBED DOCUMENT ATTACHED HERETO IS FORWARDED FOR YOUR REVIEW AND APPROVAL AND SUBSEQUENT TRANSMITTAL TO THE RULES COMMITTEE FOR INCLUSION IN ITS AGENDA.


FRANK INTAGLIATA
COMMISSIONER OF SHARED SERVICES
OFFICE OF PURCHASING

MS: br

- ENCL:
- (1) STAFF SUMMARY
 - (2) DISCLOSURE STATEMENT
 - (3) RESOLUTION
 - (4) SOLE SOURCE DOCUMENTATION
 - (5) QUOTATION
 - (6) CERTIFICATE OF LIABILITY INSURANCE
 - (7) RECOMMENDATION OF AWARD



A RESOLUTION AUTHORIZING THE DIRECTOR OF NASSAU COUNTY OFFICE OF PURCHASING TO AWARD AND EXECUTE A CONTRACT BETWEEN THE COUNTY OF NASSAU ACTING ON BEHALF OF NASSAU COUNTY FIRE COMMISSION AND IROBOT CORPORATION.

WHEREAS, the Director is representing to the Rules Committee that the firm, IROBOT CORPORATION is a sole source provider and meets all specifications for the product described in the said contract as determined by the Director of the Office of Purchasing.

RESOLVED, that the Rules Committee of the Nassau County Legislature authorizes the Director, Office of Purchasing to award and execute the said Purchase Order with IROBOT CORPORATION.

The following is explanation of why the iRobot would be the preferred choice for our HazMat division:

I would offer the following input on this matter:

Items #6 & 7: We have a limited amount of storage space on the apparatus and can only accommodate a robot of these dimensions. I know for a fact that the Talon is much larger.

Item #8: We need the robot to be deployable by a single person and the iRobot is the only unit that is. The talon weighs >150 pounds and needs at least 2 people to deploy. We have a manpower issue and we cannot have a heavier unit.

Item #19: The laptop NEEDS to be moisture & dust resistant due to the environments in which we operate. Also, the 3D model of the robot on screen is invaluable during sensitive operations in order to properly orient yourself and the robot for complex and delicate maneuvers. It would be a great detriment to not have this feature. It would cause the operation of the robot to be much more difficult. This feature significantly reduces the chance for operator errors.

Item #20: We need the most versatile robot possible and I can think of countless scenarios in which someone would need to drive and manipulate the arm at the same time. Only the iRobot unit can do this.

Item #24, 25 & 26: These features and functions are invaluable. We NEED to have a unit with these capabilities as we will be using the robot to entire life threatening environments with the thoughts of using the robot instead of placing members into bulky and restrictive chemical protective clothing and having them enter the life threatening atmosphere. Should the robot fail or fall over a robot without these capabilities would then cause those members to have to risk their lives unnecessarily just to upright or retrieve the robot...that is ridiculous! An operation whereby members must use chemical protective clothing becomes an operation that requires a MINIMUM of 8 highly trained members and equipment. The robot is designed to possibly eliminate the need for that dangerous and lengthy operation or at least to gather data to make that operation much safer and efficient as the robot will perform a reconnaissance function. For people to perform the reconnaissance mission it again takes at LEAST 8 highly trained members with specialized equipment and this is a lengthy operation.

Item #28: This spatial orientation is critical to safe operations as well as proper documentation of a crime scene when one of our incidents becomes a crime scene...which they often do. The iRobot system is the only system that has that ability.

Michael W. Mennella
Supervising Fire Marshal
HazMat Response Division
Nassau County Office of the Fire Marshal
516-573-9963 (office)
516-903-2834 (cell)
mmennella@nassaucountyny.gov

	iRobot 510 PackBot	QinetiQ Talon HazMat	Med-Eng Digital Vanguard
The robot is capable of working in environments commonly encountered by First Responders.	Yes	Yes	Yes
The robot is capable of maneuvering stairs up to 43 degrees.	Yes	Yes	Yes
The robot is capable of working in snow, gravel and rough terrain.	Yes	Yes	Yes
Robot is protected from water and dust incursion with IP 67 rating	Yes	Yes	Yes
Width: max 16" with flippers off or 20.5" with flippers on.	Yes	No	No
Length: max 32" with flippers stowed or 32" with flippers extended	Yes	No	No
Weight: max w/batteries does not exceed 75 lbs fully loaded.	Yes	No	No
Speed: is able to reach speeds of 5.8 mph., and has 3 speed options, selectable remotely by the operator during operation.	Yes	Yes	No
Flippers: for advanced mobility. The unique patented flippers also provide stair climbing capability, ease of self righting when robot is flipped over, and going over or through tough terrain. Flipper have a tool-less release.	Yes	No	No
Range: in wireless mode, robot is capable of 2,620' line of sight range.	Yes	Yes	No
Cameras: has a minimum of 4 standard color cameras	Yes	Yes	No
One camera has continuous pan and min 220 degree tilt capabilities.	Yes	Yes	Yes
Lighting: has LED mounted lights at each camera mount, system is able to provide IR Illumination and/or White Light Illumination	Yes	Yes	Yes
3 Link Manipulator: Arm can lift up to 30lb close in. Arm can lift maximum of 10 lbs in the extended mode.	Yes	Yes	Yes
Arm is able to rotate 360 degrees continuously at the shoulder.	Yes	No	Unknown
Gripper: The arm has a gripper for manipulating items. Gripper rotates continuously.	Yes	Yes	Yes
Height/Reach: max 72"	Yes	Yes	

Moisture and dust resistant laptop controller that is portable. Is no more than 14.5 lbs. and possess multi-image display capabilities. Has image capturing abilities and a 3D model of the robot on controller display.	Yes	No	No
Ability to change button functions on controller to do multiple tasks at once (drive and move arm)	Yes	No	No
User definable preset poses	Yes	Yes	No
Has two-way audio communications.	Yes	Yes	Yes
Robot System can mount and interface with existing Nassau County's Smiths Detection LCD 3.3, RAE Systems MultiRAE Pro and RadeEye GN+ sensors.	Yes	Yes	No
Autonomous return of robot "Auto-Retro traverse" in emergency situation when you lose communication with the robot in a denied environment.	Yes	No	No
Autonomous self-righting of robot when flipped on its side or upside-down	Yes	No	No
Roll-over alert when robot is in jeopardy of flipping over	Yes	No	No
Heading hold keeps robot on straight path while on uneven ground that can cause the operator to have to compensate	Yes	No	No
GPS map onscreen to show robot location with GPS coordinates.	Yes	No	No



18 September 2014

Nassau County Office of the Fire Marshal
HazMat Response Division
1194 Prospect Ave
Westbury NY 11590

Subject: Sole Source 510 PackBot

Attention: Robert Hare

iRobot is the sole manufacturer of the iRobot 510 PackBot®, a rugged, lightweight robot intended for the investigation and disposal of explosive devices and hazardous materials. The 510 PackBot is an existing product, built on the battle-proven PackBot chassis deployed by US ground troops in Afghanistan in 2002 and Iraq in 2003 until the present. Over 4,000 PackBot line robots have been delivered to various customers since 2002.

Below is an outline of the unique features that are only available on the iRobot 510 PackBot and are not available on any other robot in the same weight class.

The PackBot Remote Control Vehicle (RCV) is a rugged, yet light enough to be deployed by a single person. With its modular system architecture, the PackBot quickly and easily adapts to a variety of missions. Below are the unique features of the PackBot RCV.

- ✓ One man deployable at 65 lbs with no special equipment required to store or deploy.
- ✓ Robot is fully sealed and has no exposed wires.
- ✓ Variable speeds from 0 – 5.8 MPH
- ✓ Patented QuickFlip™ articulated tracks called “flippers”
- ✓ 312x zoom on max height of 7.5 ft

The PackBot Operator Control Unit (OCU) is a ruggedized, lightweight laptop that is used in conjunction with a game-style hand controller to support all robot functions. The laptop provides the following unique features to the PackBot.

- ✓ On screen help menu with hand controller overlay
- ✓ 3D image of robot on the OCU that can be rotated for precise positioning
- ✓ Interchangeable communication device bay holds 2.4 or 4.9 GHz radio modules with no need to power down robot to swap communication frequencies.
- ✓ High-resolution video

The PackBot is configured with an iRobot proprietary intelligence software called Aware 2®, which provides scalable software architecture for robotic control and enables significantly faster and easier operations in the field. The following features are only available on systems configured with Aware 2.

- ✓ High-resolution video
- ✓ Self-Collision avoidance prevents the robot from damaging itself during operation of arms and other accessories that have been plugged in, even after reconfiguration
- ✓ Resolve Motion enables control and tracking of manipulator or camera movement in a manner comfortable and familiar to the operator

iRobot Corporation

8 Crosby Drive, Bedford, MA 01730-1402 • 781.430.3000 • Fax 781.430.3001 • www.irobot.com

- ✓ Fourteen pre-set poses simplify operation by allowing the user to move the robots joints, head, gripper, and flippers to precise locations without having to move each individual joint independently
- ✓ Ability to save user-defined pre-set poses in the OCU and use them on subsequent missions at the touch of a button.
- ✓ Plug and Play Reconfiguration of the payloads and accessories for multiple mission support

Enables a variety of semi-autonomous robot functionality that expands the types of missions the PackBot can perform and improves situational awareness for the operator

- ✓ GPS mapping: The OCU displays a satellite image of the operational location with an overlay of the robot's position, heading and GPS coordinates, along with points of interest identified by the operator
- ✓ Retro-traverse upon communications loss: If the robot loses communications, it retraces its approach path until communications are restored. As a safety feature, the operator is able to set keep-out areas, to stop the robot from coming back to the OCU or other operational locations
- ✓ Self-righting: If the robot flips over, it lets the operator know and asks if it should use its arms and flippers to automatically right itself and continue the mission
- ✓ Heading hold: The robot maintains a constant heading set by the operator, making the necessary adjustments for bumps, debris and other course obstacles

The PackBot easily integrates sensors that are already in use by various agencies and provides sensor feedback directly on the OCU. The following sensors, used by Nassau County Office of the Fire Marshal, are compatible with the PackBot.

- ✓ RaeSystems MultiRAE Pro
- ✓ Smith's Detection LCD 3.3
- ✓ Thermo Scientific RadEye GN+
- ✓ Currently, the PackBot has integrated 8+ sensors. For full list, please visit:
http://www.irobot.com/~media/Files/Robots/Defense/PackBot/iRobot_510_PackBot_HazMat_CBRNe.pdf

Communications – With mesh radio capabilities, our robots uses multiple nodes to establish and relay communications, increasing its operational range in urban areas and other challenging environments.

- ✓ The PackBot uses stand alone nodes, or other iRobot systems to extend range via mesh radio.

If you have any questions, please feel free to contact me.

Sincerely,

Kamila Blain
Business Product Manager
Defense and Security Business Unit
iRobot Corporation
Cell: (774) 230 - 7260
Fax: (781) 268 - 5018
kamila@irobot.com

REQUISITION

RQFC15000002 28/JAN/2015

VENDOR:
IROBOT CORPORATION
8 CROSBY DRIVE
M/S 10-2
BEDFORD

MA 01730

TEL:(781)430-3494

FAX:() -

REQUISITIONER:

FC NASSAU COUNTY FIRE COMMISSION
1194 PROSPECT AVE.

WESTBURY

NY 11590-2723

MICHELE GRIGONIS

TEL:(516)573-9871

FAX:(516)573-9860

ITEM	DESCRIPTION	QTY	U/M	UNIT COST	TOTAL	
001	680-66	1.00	EA	103,381.1100	103,381.11	
	POLICE INVESTIGATION ROBOTS					
	QUANTITY (1) STOCK #510PB					
	IROBOT 510 PACKBOT ROBOTIC SYSTEM INCLUDING LIMITED ONE (1) YEAR WARRA INCLUDING USER DOCUMENTATION (1); 510 PACKBOT MULTI-MISSION CHASSIS (1 PAYLOAD CONNECTOR COVER (6); FLIPPER ASSEMBLY (2) MANIPULATOR 1.0 ARM (1); 2.4 GHZ OCU COMM. PACK, ROM 5126 (1); 2.4 GHZ CHASSIS ANTENNA (2) HEAD QUICK CLAMP ADAPTER KIT (1); QUICK CLAMP W FIRESSET (1); BATTERY CRADLE (2); RUGGEDZED INDUSTRIAL 15' LAPTOP OCU (1); HAND CONTROLLER (2); HEADSET W MICROPHONE (1); PACKBOT 4.9 GHZ MESH RADIO (1) GPS PORT COVER (ANTENNA SOLD SEP.)(1); BB-2590/2557 DUAL HIGH RATE CHARGER (1); BB-2590 DUAL BATT CHARGER ADAPTER (1);AWARE 2 VERSION 5: ROBOT SOFTWARE					
002	680-66	6.00	EA	505.2400	3,031.44	
	POLICE INVESTIGATION ROBOTS					
	QUANTITY (6) ITEM #4151798					
	BB-2590 LITHIUM BATTERY PACK (REQUIRES HAZARDOUS SHIPPING)					
003	680-66	1.00	EA	8,300.0000	8,300.00	
	POLICE INVESTIGATION ROBOTS					
	QUANTITY (1)					
	ITEM #4356838					
	PACKBOT 4.9 GHZ MESH RADIO					

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MA 01730
TEL: (781) 430-3494
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FAX: (516) 573-9860

ITEM	DESCRIPTION	QTY	U/M	UNIT COST	TOTAL	
004	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4442828 ANTENNA TRIPOD	1.00	EA	1,180.0000	1,180.00	
005	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4248592 4.9 GHZ LARGE PATCH ANTENNA WITH MOUNT	1.00	EA	560.9900	560.99	
006	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4311711K USER-ASSIST PACKAGE (UAP)	1.00	EA	10,526.3200	10,526.32	
007	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4340553K DUAL ACCESSORY ADAPTER PAYLOAD (DAPPA)	1.00	EA	4,736.8400	4,736.84	

REQUISITION

RQFC15000002 28/JAN/2015

VENDOR:
IROBOT CORPORATION
8 CROSBY DRIVE
M/S 10-2
BEDFORD MA 01730
TEL: (781) 430-3494
FAX: () -

REQUISITIONER:
FC NASSAU COUNTY FIRE COMMISSION
1194 PROSPECT AVE.
WESTBURY NY 11590-2723
MICHELE GRIGONIS
TEL: (516) 573-9871
FAX: (516) 573-9860

ITEM	DESCRIPTION	QTY	U/M	UNIT COST	TOTAL	
008	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4449309K KIT, INTERFACE AND ADAPTER, MULTI-RAE PRO	1.00	EA	5,593.5300	5,593.53	
009	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #15088 QUICK CLAMP PICATINNY RAIL KIT	2.00	EA	340.0800	680.16	
010	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4455816 KIT, ACCESSORY CABLE, HEAD - PACKBOT	1.00	EA	1,013.3200	1,013.32	
011	680-66 POLICE INVESTIGATION ROBOTS QUANTITY (1) ITEM #4449300K KIT, INTERFACE ONLY, LCD3_3 PDS	1.00	EA	5,936.8900	5,936.89	

REQUISITION

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NY 11590-2723

ITEM	DESCRIPTION	QTY	U/M	UNIT COST	TOTAL	
012	680-66 POLICE INVESTIGATION ROBOTS	1.00	EA	1,302.8400	1,302.84	
QUANTITY (1)						
ITEM #4455817						
KIT, ACCESSORY CABLE, ARM - PACKBOT						
013	680-66 POLICE INVESTIGATION ROBOTS	1.00	EA	4,342.8000	4,342.80	
QUANTITY (1)						
ITEM #4450525K						
KIT, INTERFACE ONLY, RADEYE						
014	680-66 POLICE INVESTIGATION ROBOTS	1.00	EA	955.4200	955.42	
QUANTITY (1)						
ITEM #4455818						
KIT, ACCESSORY CABLE, DAPPA REAR - PACKBOT						
015	962-86 TRANSPORTATION OF GOODS, DRAYAGE, FREIGHT, SHIPPING AND HANDLING.	1.00	LOT	690.0000	690.00	
GENERAL FREIGHT AND HAZARDOUS SHIPPING FEES, AS APPLICABLE						

*NOTES:

PRODUCTS DESCRIBED HEREIN MAY REQUIRE U.S. GOVERNMENT AUTHORIZATION
FOR EXPORT PURPOSES
PRODUCTS PURCHASED BY END USER ARE NOT BEING EXPORTED OUTSIDE OF THE
CONTINENTAL UNITED STATES
LEAD TIME FOR DELIVERY IS 26-28 WEEKS, AS PER QUOTE NAME 20140516-

CONTINUED, NEXT PAGE

REQUISITION

RQFC15000002 28/JAN/2015

VENDOR:
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8 CROSBY DRIVE
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FAX: (516) 573-9860

5852B, QUOTE # 22235-1

ITEM	DESCRIPTION	QTY	U/M	UNIT COST	TOTAL
016	924-60	1.00	EA		.0001
CLASSES/SEMINARS/WORKSHOPS, NOT FOR CREDIT					
TRAINING - MANUFACTURER/VENDOR TO PROVIDE A MINIMUM OF 2 DAYS TRAINING ON THE EQUIPMENT PURCHASED VIA THIS REQUISITION/PURCHASE ORDER TO THE NASSAU COUNTY FIRE MARSHAL'S PERSONNEL AT A LOCATION IN NASSAU COUNTY TO BE DETERMINED BY THE PURCHASER WITHIN NINETY (90) DAYS OF EQUIPMENT DELIVERY TO THE END USER. TRAINING TO BE PROVIDED TO BETWEEN 21 AND 23 PERSONS.					
017	680-66	1.00	EA	1,802.3300	1,802.33
POLICE INVESTIGATION ROBOTS					
ITEM #14065					
QUICK CLAMP ACCESSORY MOUNT FOR MANIPULATOR 1.0					

ESTIMATED TOTAL: 154,033.99



8 Crosby Drive
Bedford MA 01730

Phone: 781-430-3090
Fax: 781-268-5157
Email: sales@irobot.com

Quotation

Federal ID # 77-0259335

Quote Name: 20140516-5852A-2
Quote Number: 24614 - 1
Quote Date: 16-DEC-2014
Page: 1 of 4

Quoted to: Nassau County Office of the Fire Marshal
HazMat Response Division
1194 Prospect Ave
Westbury NY 11590
United States
Attn: Michael Mennella
516 573-9963
mmennella@nassaucountyny.gov

Customer	Pricing Valid Thru	Payment Terms	Sales Person	Lead Time
Nassau County Office of the Fire Marshal	16-MAR-2015	Subject to Credit Check	Kamila Blain	26 - 28 Weeks ARO

Quantity	Item	Description	Unit Price	Extension
1	510PB	iRobot 510 PackBot Robotic System includes Limited One (1) Year Warranty <ul style="list-style-type: none"> - User Documentation (1) - 510 PackBot Multi-Mission Chassis (1) - Payload Connector Cover (6) - Flipper Assembly (2) - Manipulator 1.0 Arm (1) - Head QuickClamp Adapter Kit (1) - QuickClamp with Fireset (1) - Battery Cradle (2) - Ruggedized Industrial 15" Laptop OCU (1) - Hand Controller (2) - Headset with Microphone (1) - 2.4 GHz OCU Communications Package, ROM 5126 (1) - 2.4 GHz Chassis Antenna (2) - GPS Port Cover (GPS Antenna sold separately) (1) - BB-2590/2557 Dual High Rate Charger (1) - BB-2590 Dual Battery Charger Adapter (1) - Aware 2 Version 5: Robot Software License (1) - Aware 2 Version 5: OCU Software License (1) 	\$103,381.11	\$103,381.11
6	4151798	BB-2590 Lithium Battery Pack (requires hazardous shipping)	\$505.54	\$3,033.24
1	4356838	PackBot 4.9 GHz Mesh Radio	\$8,300.00	\$8,300.00
1	4442828	Antenna Tripod	\$1,180.00	\$1,180.00
1	4248592	4.9 GHz Large Patch Antenna With Pole Mount Kit	\$560.99	\$560.99
1	4311711K	User-Assist Package (UAP)	\$10,526.32	\$10,526.32
1	4340553K	Dual Accessory Adapter Payload (DAPPA)	\$4,736.84	\$4,736.84
1	4449309K	KIT, INTERFACE AND ADAPTER, MULTIRAE PRO	\$5,593.53	\$5,593.53
2	15088	QuickClamp Picatinny Rail Kit	\$340.08	\$680.16
1	4455816	KIT, ACCESSORY CABLE, HEAD - PACKBOT	\$1,013.32	\$1,013.32
1	4449300K	KIT, INTERFACE ONLY, LCD3_3 PDS	\$5,936.89	\$5,936.89
1	14065	QuickClamp Accessory Mount for Manipulator 1.0	\$1,802.33	\$1,802.33
1	4455817	KIT, ACCESSORY CABLE, ARM - PACKBOT	\$1,302.84	\$1,302.84
1	4450525K	RadEye GN+ Robot Interface	\$4,342.80	\$4,342.80



8 Crosby Drive
Bedford MA 01730

Phone: 781-430-3090
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Email: sales@irobot.com

Quotation

Federal ID # 77-0259335

Quote Name: 20140516-5852A-2
Quote Number: 24614 - 1
Quote Date: 16-DEC-2014
Page: 2 of 4

Quoted to: Nassau County Office of the Fire Marshal
HazMat Response Division
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United States
Attn. Michael Mennella
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Customer	Pricing Valid Thru	Payment Terms	Sales Person	Lead Time
Nassau County Office of the Fire Marshal	16-MAR-2015	Subject to Credit Check	Kamila Blain	26 - 28 Weeks ARO

Quantity	Item	Description	Unit Price	Extension
1	4455818	KIT, ACCESSORY CABLE, DAPPA FRONT - PACKBOT	\$955.42	\$955.42
1	17683	3 Days Training	\$0.00	\$0.00
<p>NOTES: Products described herein may require US Government authorization for export purposes. The use, sale, re-export, delivery or retransfer, directly or indirectly, of iRobot products and technology is subject to and contingent upon compliance with U.S. Export Regulations. Please see link for additional information regarding requirements for placing an order.</p> <p>www.irobot.com/GIInternationalGroundRobotOrders</p> <p>The exportation of hazardous material (BB-2590 & BB-2557 Lithium Battery Packs and HazMat Kit) requires iRobot to abide by U.S. and IATA regulations. This will result in this portion of the order to be on a separate airway bill shipment.</p> <p>This quotation is subject to iRobot's standard terms and conditions of sale, which are incorporated herein by reference. County's terms and conditions shall control this order, supplemented by the terms and conditions of the contractor stated herein to the extent such terms and conditions are not inconsistent with the County's terms and conditions.</p> <p>Please note, customer owned MultiRAE sensors may require an upgrade from RAE Systems in order to be compatible with the iRobot PackBot system. Please contact RAE Systems for quote.</p> <p>Please note, the User Assist Package (UAP) does not include associated map data, customers are responsible for the loading specific map data.</p> <p>Included with quote is an End User Undertaking (EUU) for the Smiths Detection LCD 3.3 Sensor. Smiths Detection is a UK company and the EUU document is required to be completed by the end user. Upon receipt of a purchase order, contract or other funding documents iRobot will work with you in completing the EUU. It will be important to process the document promptly since it takes Smiths Detection a number of weeks to process the form on their end with the UK MOD and they are unable to ship until the UK MOD has approved the EUU. Lead time on the LCD 3 Sensor is based on execution of the End User Undertaking.</p> <p>PackBot System and Accessory Cases will be shipped with this order for transit only and should be returned. Please contact the iRobot Service Team at dssupport@irobot.com for return directions. Shipping cases not returned after 30 days will be charged to the customer.</p> <p>If you are a sales tax exempt entity, please include a copy of your State Sales Tax exempt certificate with your purchase order or contract. If we do not have a copy of your certificate on file, and your business is in a</p>				



8 Crosby Drive
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Phone: 781-430-3090
Fax: 781-268-5157
Email: sales@irobot.com

Quotation

Federal ID # 77-0259335

Quote Name: 20140516-5852A-2
Quote Number: 24614 - 1
Quote Date: 16-DEC-2014
Page: 3 of 4

Quoted to: Nassau County Office of the Fire Marshal
HazMat Response Division
1194 Prospect Ave
Westbury NY 11590
United States
Attn. Michael Mennella
516 573-9963
mmennella@nassaucountyny.gov

Customer	Pricing Valid Thru	Payment Terms	Sales Person	Lead Time
Nassau County Office of the Fire Marshal	16-MAR-2015	Subject to Credit Check	Kamila Blain	26 - 28 Weeks ARO

Quantity	Item	Description	Unit Price	Extension
		<p>state we are obligated to collect sales tax from, you will be invoiced sales tax.</p> <p>Should this offer be communicated to a contractor for the U.S. Government, other Government, or third-party end customer, such as a prime contractor, the contractor agrees to incorporate this Quotation or the software licensing terms below, either directly or by reference, in any prime contract receiving Products under this Quotation.</p> <p>Any offered PackBot®, FirstLook®, and/or Warrior® Products ("Products") incorporate Commercial Computer Software ("COTS Software"), including Aware® 2 Robot Intelligence Software. Upon issuing a purchase order or contract for the offered Products, the U.S. Government's rights in the COTS Software are determined by DFARS §227.7202-1 (a) and/or (b). The Government's rights are as enumerated in FAR 52.227-19, as follows:</p> <p>Commercial Computer Software License</p> <p>(1) The commercial computer software delivered under this contract may not be used, reproduced, or disclosed by the Government except as provided in paragraph (2) of this clause or as expressly stated otherwise in this contract.</p> <p>(2) The commercial computer software may be—</p> <p>(i) Used or copied for use with the computer(s) for which it was acquired, including use at any Government installation to which the computer(s) may be transferred;</p> <p>(ii) Used or copied for use with a backup computer if any computer for which it was acquired is inoperative;</p> <p>(iii) Reproduced for safekeeping (archives) or backup purposes;</p> <p>(iv) Modified, adapted, or combined with other computer software, provided that the modified, adapted, or combined portions of the derivative software incorporating any of the delivered, commercial computer software shall be subject to same restrictions set forth in this contract;</p> <p>(v) Disclosed to and reproduced for use by support service Contractors or their subcontractors, subject to the same restrictions set forth in this contract; and</p> <p>(vi) Used or copied for use with a replacement computer.</p> <p>A customer who is not the U.S. Government ("Customer") shall receive the same rights granted to the U.S. Government enumerated in the above Commercial Computer Software License.</p> <p>By issuing a contract or purchase order for the Product(s), the Customer will be authorizing the enumerated number of copies of the COTS Software (in most cases, one copy for each chassis and one copy for each OCU).</p> <p>Base tool software ("Base Tools"), including open source and commercial</p>		



8 Crosby Drive
Bedford MA 01730

Phone: 781-430-3090
Fax: 781-268-5157
Email: sales@irobot.com

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Quantity	Item	Description	Unit Price	Extension
		software, as well as software subject to a Defense Federal Acquisition Regulations Supplement (DFAR) §252.227-7017 data rights assertion table ("DRT") (DRT applicable only to U.S. Government) are also being provided. The Customer's rights in such Base Tools and software listed on the DRT are located at www.irobot.com/AWARE-Licenses , and/or form attachment(s) to this Quotation (entitled APPENDIX A AWARE® 2 ROBOT INTELLIGENCE SOFTWARE (OBJECT CODE or "RUNTIME") COMMERCIAL COMPUTER SOFTWARE LICENSE AGREEMENT - BASE TOOLS LICENSES), and are expressly incorporated herein by reference.		

Authorized Signature

Sub Total: \$153,345.79
Freight Total: \$690.00
Sales Tax: \$0.00
Grand Total: \$154,035.79
Currency: USD

Important Notes:

1. Payment terms (unless otherwise noted): Commercial Entities: Irrevocable Letter of Credit; Government Entities: Net 30 Days.
2. International customers are responsible for all customs, duties, taxes and transportation from airport.
3. Software licenses granted to government entities are to be accepted by authorized contracting authority.
4. Orders are not considered booked until a formal purchase order has been received and accepted.
5. Ship dates will be given once order is booked. If Export License is required, ship dates can be given once approved license is received from the U.S. Government.
6. Domestic orders ship FOB Origin.
7. International Term of Sale is CIP (Carriage, Insurance, Paid To). Delivery will be at the destination airport.
8. End User Statement required for all international orders.
9. Asterisk (*) indicates GSA Pricing, all other pricing is Open Market.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
09/30/2014

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
MARSH USA, INC.
99 HIGH STREET
BOSTON, MA 02110
Attn: Boston.certrequest@Marsh.com Fax: 212-948-4377

CONTACT

NAME:

PHONE

(A/C, No, Ext):

FAX

(A/C, No):

E-MAIL

ADDRESS:

INSURER(S) AFFORDING COVERAGE

NAIC #

INSURER A : Zurich American Insurance Company

16535

INSURER B : American Guarantee and Liability Insurance Company

26247

INSURER C :

INSURER D :

INSURER E :

INSURER F :

767317-ALL-GAWUP-14-15

INSURED
IROBOT CORPORATION
ATTN: PAUL TAVALLONE, VP, ASSISTANT TREASURER
8 CROSBY STREET
BEDFORD, MA 01730

COVERAGES

CERTIFICATE NUMBER:

NYC-006939325-01

REVISION NUMBER: 5

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADOL SUBR INSR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	GENERAL LIABILITY		GLO 9326698-01	09/23/2014	09/23/2015	EACH OCCURRENCE \$ 1,000,000
	<input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY					DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000
	<input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR					MED EXP (Any one person) \$ 10,000
						PERSONAL & ADV INJURY \$ 1,000,000
						GENERAL AGGREGATE \$ 2,000,000
						PRODUCTS - COMP/OP AGG \$ 2,000,000
						\$
	AUTOMOBILE LIABILITY					COMBINED SINGLE LIMIT (Ea accident) \$
	<input type="checkbox"/> ANY AUTO					BODILY INJURY (Per person) \$
	<input type="checkbox"/> ALL OWNED AUTOS	<input type="checkbox"/> SCHEDULED AUTOS				BODILY INJURY (Per accident) \$
	<input type="checkbox"/> HIRED AUTOS	<input type="checkbox"/> NON-OWNED AUTOS				PROPERTY DAMAGE (Per accident) \$
						\$
B	<input checked="" type="checkbox"/> UMBRELLA LIAB <input checked="" type="checkbox"/> OCCUR		AUC 9326699-01	09/23/2014	09/23/2015	EACH OCCURRENCE \$ 2,000,000
	<input type="checkbox"/> EXCESS LIAB <input type="checkbox"/> CLAIMS-MADE					AGGREGATE \$ 2,000,000
	<input type="checkbox"/> DED <input type="checkbox"/> RETENTION \$					\$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY		WC 9326697-01	09/23/2014	09/23/2015	<input checked="" type="checkbox"/> WC STATUTORY LIMITS <input type="checkbox"/> OTHER
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	<input type="checkbox"/> Y <input checked="" type="checkbox"/> N / A				E.L. EACH ACCIDENT \$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below					E.L. DISEASE - EA EMPLOYEE \$ 1,000,000
						E.L. DISEASE - POLICY LIMIT \$ 1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

CERTIFICATE HOLDER

County of Nassau
Attn: Robert Hare, Purchasing
1194 Prospect Ave
Westbury, NY 11590

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Elizabeth Stapleton

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FORMAL BID RECOMMENDATION

BID NUMBER: N/A

OPEN DATE: N/A

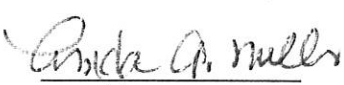
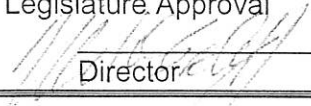
TITLE: Police Investigation Robots RQFC14000032

DATE: January 22, 2015

TO: BUYER: LINDA A. MILLS

FROM: ADMINISTRATION

PLEASE REVIEW ATTACHED BID RESULT. NOTE YOUR RECOMMENDATION FOR AWARD.
FORWARD THIS TRANSMITTAL SHEET TOGETHER WITH BID FILE. RETAIN REQUISITION.

Date: 01/22/15		Bid Results
To: Supervisor	From: Buyer	Recommend award to IROBOT CORP.
 Buyer		Vendor is documented
		Sole source provider
Date: _____		
To: Director	From: Supervisor	
<input type="checkbox"/>	<input type="checkbox"/>	
Concur	Disagree (See Reverse)	
Date: <u>1/22/15</u>		
To: Buyer	From: Director	
<input checked="" type="checkbox"/>	Approved for Award	
<input type="checkbox"/>	Hold award pending discussion	
<input checked="" type="checkbox"/>	Subject to Legislature Approval	
 Director		

COUNTY OF NASSAU

CONSULTANT'S, CONTRACTOR'S AND VENDOR'S DISCLOSURE FORM

1. Name of the Entity: iRobot Corporation

Address: 8 Crosby Dr

City, State and Zip Code: Bedford, MA 01730

2. Entity's Vendor Identification Number: 77-0259335

3. Type of Business: ☒ Public Corp ☐ Partnership ☐ Joint Venture
☐ Ltd. Liability Co ☐ Closely Held Corp ☐ Other (specify)

4. List names and addresses of all principals; that is, all individuals serving on the Board of Directors or comparable body, all partners and limited partners, all corporate officers, all parties of Joint Ventures, and all members and officers of limited liability companies (attach additional sheets if necessary):

Colin Angle, PO Box 174, Prides Crossing, MA 01965

Alison Dean, 3 Baldwin Lane, Hopkinton, MA 01748

Russell Campanello, 35 Round Hill Road, Lincoln, MA 01773

Christian Cerda, 77 Royalston Road, Wellesley, MA 02481

Paolo Pirjanian, 1870 Maginn Drive, Glendale, CA 91202

Glen Weinstein, 227 Lincoln Street, Newton, MA 02461

5. List names and addresses of all shareholders, members, or partners of the firm. If the shareholder is not an individual, list the individual shareholders/partners/members. If a Publicly held Corporation include a copy of the 10K in lieu of completing this section.

Please see attached 10K

6. List all affiliated and related companies and their relationship to the firm entered on line 1. above (if none, enter "None"). Attach a separate disclosure form for each affiliated or subsidiary company.

None

7. List all lobbyists whose services were utilized at any stage in this matter (i.e., pre-bid, bid, post-bid, etc.). The term "lobbyist" means any and every person or organization retained, employed or designated by any client to influence - or promote a matter before - Nassau County, its agencies, boards, commissions, department heads, legislators or committees, including but not limited to the Open Space and Parks Advisory Committee and Planning Commission. Such matters include, but are not limited to, requests for proposals, development or improvement of real property subject to County regulation, procurements, or to otherwise engage in lobbying as the term is defined herein. The term "lobbyist" does not include any officer, director, trustee, employee, counsel or agent of the County of Nassau, or State of New York, when discharging his or her official duties.

(a) Name, title, business address and telephone number of lobbyist(s):

None

(b) Describe lobbying activity of each lobbyist. See page 4 of 4 for a complete description of lobbying activities.

None

(c) List whether and where the person/organization is registered as a lobbyist (e.g., Nassau County, New York State):

None

8. VERIFICATION: This section must be signed by a principal of the consultant, contractor or Vendor authorized as a signatory of the firm for the purpose of executing Contracts.

The undersigned affirms and so swears that he/she has read and understood the foregoing statements and they are, to his/her knowledge, true and accurate.

Dated: 26 May 2015

Signed:



Print Name: Laura Timmins

Title: Contracts Manager

Page 4 of 4:

The term lobbying shall mean any attempt to influence: any determination made by the Nassau County Legislature, or any member thereof, with respect to the introduction, passage, defeat, or substance of any local legislation or resolution; any determination by the County Executive to support, oppose, approve or disapprove any local legislation or resolution, whether or not such legislation has been introduced in the County Legislature; any determination by an elected County official or an officer or employee of the County with respect to the procurement of goods, services or construction, including the preparation of contract specifications, including by not limited to the preparation of requests for proposals, or solicitation, award or administration of a contract or with respect to the solicitation, award or administration of a grant, loan, or agreement involving the disbursement of public monies; any determination made by the County Executive, County Legislature, or by the County of Nassau, its agencies, boards, commissions, department heads or committees, including but not limited to the Open Space and Parks Advisory Committee, the Planning Commission, with respect to the zoning, use, development or improvement of real property subject to County regulation, or any agencies, boards, commissions, department heads or committees with respect to requests for proposals, bidding, procurement or contracting for services for the County; any determination made by an elected county official or an officer or employee of the county with respect to the terms of the acquisition or disposition by the county of any interest in real property, with respect to a license or permit for the use of real property of or by the county, or with respect to a franchise, concession or revocable consent; the proposal, adoption, amendment or rejection by an agency of any rule having the force and effect of law; the decision to hold, timing or outcome of any rate making proceeding before an agency; the agenda or any determination of a board or commission; any determination regarding the calendaring or scope of any legislature oversight hearing; the issuance, repeal, modification or substance of a County Executive Order; or any determination made by an elected county official or an officer or employee of the county to support or oppose any state or federal legislation, rule or regulation, including any determination made to support or oppose that is contingent on any amendment of such legislation, rule or regulation, whether or not such legislation has been formally introduced and whether or not such rule or regulation has been formally proposed.

UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-K

(Mark One)

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 27, 2014

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Commission file no. 001-36414

iROBOT CORPORATION

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of
incorporation or organization)

8 Crosby Drive, Bedford, MA

(Address of principal executive offices)

77-0259 335

(I.R.S. Employer
Identification No.)

01730

(Zip Code)

(781) 430-3000

(Registrant's telephone number, including area code)

SECURITIES REGISTERED PURSUANT TO SECTION 12(b) OF THE ACT:

Common Stock, \$0.01 par value per share The NASDAQ Stock Market LLC

SECURITIES REGISTERED PURSUANT TO SECTION 12(g) OF THE ACT:

None

Indicate by check-mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes ☒ No ☐

Indicate by check-mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes ☐ No ☒

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ☒ No ☐

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K (§ 229.405 of this chapter) is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer ☒ Accelerated filer ☐ Non-accelerated filer ☐ Smaller reporting company ☐

(Do not check if a smaller
reporting company)

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ☐ No ☒

The aggregate market value of the Common Stock held by nonaffiliates of the registrant was approximately \$1,160,000,000 based on the last reported sale of the Common Stock on the NASDAQ Global Market on June 28, 2014.

As of February 9, 2015, there were 29,672,165 shares of the registrant's Common Stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

The registrant intends to file a definitive Proxy Statement pursuant to Regulation 14A within 120 days of the end of the fiscal year ended December 27, 2014. Portions of such Proxy Statement are incorporated by reference into Part III of this Form 10-K.

Form 10-K

iROBOT CORPORATION
ANNUAL REPORT ON FORM 10-K
Year Ended December 27, 2014
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Form 10-K

PART I

ITEM 1. BUSINESS

This Annual Report on Form 10-K contains forward-looking statements. All statements other than statements of historical facts contained in this Annual Report on Form 10-K, including statements regarding our future results of operations and financial position, business strategy, plans and objectives of management for future operations, and plans for product development and manufacturing are forward-looking statements. These statements involve known and unknown risks, uncertainties and other factors that may cause our actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. We discuss certain of these risks in greater detail in the "Risk Factors" section and elsewhere in this Annual Report on Form 10-K. Also, these forward-looking statements speak only as of the date of this Annual Report on Form 10-K, and we have no plans to update our forward-looking statements to reflect events or circumstances occurring after the date of this Annual Report. We caution readers not to place undue reliance upon any such forward-looking statements.

iRobot, Roomba, Ava, Scooba, Mint, ViPR, NorthStar, Create, PackBot, FirstLook, iAdapt, Aware, Home Base, Looj, Braava, Kobra, AeroForce, uPoint, AeroVac, Mirra, and Virtual Wall are trademarks of iRobot Corporation.

Overview

iRobot Corporation ("iRobot" or the "Company" or "we") designs and builds robots that empower people to do more. For nearly 25 years, we have developed proprietary technology incorporating advanced concepts in navigation, mobility, manipulation and artificial intelligence to build industry-leading robots. Our home care robots perform time-consuming domestic chores while our defense and security robots perform tasks such as battlefield reconnaissance and bomb disposal, and multi-purpose tasks for law enforcement agencies and first responders, as well as certain commercial users. Our remote presence robots expand the reach of medical care by connecting physicians with patients from anywhere in the world and also provide autonomous telepresence capabilities enabling remote workers to more personally collaborate throughout the workplace. We sell our robots through a variety of distribution channels, including chain stores and other national retailers, through our on-line store, through value-added distributors and resellers, and to the U.S. military and other government agencies worldwide.

Since our founding, we have accumulated expertise in all the disciplines necessary to design and build durable, high-performance and cost-effective robots through the close integration of software, electronics and hardware. Our core technologies serve as reusable building blocks that we adapt and expand to develop next generation and new products, reducing the time, cost and risk of product development. Our significant expertise in robot design and engineering, combined with our management team's experience in consumer, military and enterprise markets, positions us to capitalize on the growth we expect in the market for robot-based products. We believe that the sophisticated technologies in our existing applications are adaptable to a broad array of markets such as law enforcement, homeland security, commercial cleaning, elder care, energy services, home automation, healthcare, video collaboration, landscaping, agriculture, construction and other vertical markets.

Over the past twelve years, we have sold more than 13 million of our home care robots. During that time, we also sold more than 5,000 of our defense and security robots, most of which have been sold to the U.S. military and deployed on missions in Afghanistan and Iraq, and more recently to state, local and international government entities. In 2013, we began selling remote presence telemedicine robots to InTouch Health for resale into the healthcare market as part of our joint development collaboration with InTouch Health. In 2014, we began selling the Ava 500 Video Collaboration robot, a remote presence solution for the enterprise market.

Our total revenue for 2014 was \$556.8 million, which represents a 14% increase from 2013 revenue of \$487.4 million. This increase in revenue was attributable to a \$79.6 million increase in revenue in our home robots business as a direct result of growth in both domestic and international markets, which was primarily driven by expanded distribution of our Roomba 800 series robot worldwide, growth in China and the replacement of the Roomba 500 series robot with the higher-priced Roomba 600 series in club stores. The increase in home robots revenue was partially offset by a decrease in revenue of \$4.5 million in our defense and security business related to reductions in new unmanned ground vehicle robots, associated with ongoing budget reductions within the U.S. government. We began selling our remote presence robots into the healthcare market and the enterprise market in 2013 and 2014, respectively. However, these sales have not yet generated meaningful revenue. Our home robots revenue represented 91% of our total 2014 revenue compared to 88% in 2013. We anticipate that our revenue for the next few years will be primarily driven by our rapidly growing home robots business and that our home robots revenue will continue to comprise approximately 90% of our total revenue in the near term.

We achieved a number of significant milestones in 2014 which we believe will assist us in continuing to generate profitable growth in 2015 and beyond. In particular:

- We significantly expanded the distribution of our Roomba 800 series robot, featuring our new AeroForce Performance Cleaning System. Significant revenue and margin contribution, along with high customer ratings have made the Roomba 800 launch one of our most successful to date.
- We continued to increase our investment in marketing programs in our home robots business, which resulted in greater brand awareness and revenue growth. Our strategy in 2015 will be similar with continued focus on brand awareness and customer conversion.
- We announced the uPoint Multi-Robot Control (MRC) system, a universal control system for our line of defense and security robots. The uPoint MRC system, which is our first multi-robot tablet controller, provides precise and reliable control through an intuitive interface for any of our unmanned ground vehicles.
- We launched the Ava 500 Video Collaboration robot which blends our autonomous navigation capabilities with Cisco's TelePresence, to enable people working off-site to participate in meetings, presentations and events where movement and location spontaneity are important.
- We continued our successful Science, Technology, Engineering and Math (STEM) outreach program with the launch of Create 2, a preassembled robot platform that gives educators, students and developers firsthand robotic programming experience.
- We have seen significant growth in sales into China due to strong demand for our products, and this region will continue to be a focus of our Company.

Strategy

We are a technology company with the goal of designing and marketing innovative robots that empower people to do more. Every robot is created with a person in mind. We strive to drive innovation, serve as an industry catalyst and change the world by fueling the era of robots. We intend to increase the penetration of our products in existing markets, expand existing products into new markets, and develop and launch new products into current and adjacent markets. Our strategy is to maintain a leadership position by delivering robotic technology-based remote presence and automated home maintenance solutions that delight our customers and anticipate their needs, while extending our technical leadership in the areas of autonomous navigation, manipulation and cloud connectivity and services. With increasing levels of autonomy, continued mobility improvements, more sophisticated sensor suites and advanced human interfaces, remote presence systems will expand in effectiveness and efficiency and reduce the requirements for actual physical operator presence and control. In the area of automated home maintenance, we seek to improve the quality of life with robotic solutions requiring as little human physical intervention as possible. Key elements of our strategy include:

Talent: Investing in our people and our culture. To develop and integrate the best technology and to be the most innovative robotics company, we must attract the most talented people across our functional areas. Our success is directly related to the talents and abilities of our workforce, and to a culture, work environment and leadership that supports its development and growth. Our strategy focuses on transforming our company into one of the most attractive workplaces for those seeking to participate in the robotics field.

Technology: Investing in robotic technology and products to build better robots. A better robot lives in our world by moving around its environment more intelligently, by cooperating with the people it serves more compellingly, and by physically interacting with its surroundings more effectively. We strive to achieve and sustain world leadership with best-in-class technology in the areas of autonomy, navigation, cloud robotics and manipulation. Our superiority in user experience comes from leveraging the powerful capabilities of the connected world combined with thoughtful, intuitive design. We are committed to developing, maturing and integrating these technologies to support our business and make these a reality in our products. We implement these technologies with strict cost requirements to support our high-margin, profitable business model.

Tempo: Investing to improve our agility, speed and operational efficiency. We strive to increase our pace of innovation and bring compelling products to market more quickly in a cost-effective and highly reliable form. We are committed to refining our innovation and product development culture and processes to deliver results faster by increasing the pace of development, gaining efficiencies through designing and leveraging modular architecture and reusable hardware and software components across products, and utilizing remote software updates and cloud computing to provide rapid cycles for release of new features in the installed base of our products.

Brand. We invest in building a company with a vision, that strives to solve difficult problems, and empowers people to do more. We strive to achieve this image by designing high-quality robots with a recognizable look and feel and a streamlined ease of use, by employing impactful marketing, and by continuing to give back to the community. We invest in building and advertising one unified, global brand across all of our business units.

Technology

We are focused on behavior-based, artificially-intelligent systems developed to meet customer requirements in multiple market segments. Our systems are designed to move around their environments intelligently, by cooperating with the people they serve and by physically interacting with their surroundings.

Our robots rely on technology related to navigation, cloud robotics and manipulation to accomplish their missions autonomously.

Autonomy. Our robots employ intelligent autonomy because, without autonomy, robots require human attention. Autonomy requires, among other things, advanced navigation and dynamically updated mapping. We seek to achieve and sustain a leadership position in navigation and mapping to enable a higher level of autonomy.

Navigation. Our mobile robots navigate through their environment in a variety of ways. Some do it simply by reacting to encounters with obstacles. Others use more sophisticated means that make use of maps to plan out paths, track their travel, and determine their location in the environment. Intelligent navigation empowers our robots to operate autonomously with purposeful intent. Autonomous navigation is the key enabler for our current products, ranging from smarter robotic floor care products to autonomous Ava 500 robots and unmanned ground vehicles.

Cloud Robotics. Connectivity and cloud services are important because they can leverage additional computational resources and capabilities. Cloud robotics refers to cloud-based shared services that solve robotic challenges and enhance robots' capabilities. By using the power of off-board computing and storage, it is possible to develop algorithms that aid with object recognition, post-process and store large maps, and share data between multiple robots operating in the same environment. Cloud robotics allows our robots to maintain operating duration and mobility while continuing to implement advanced technology.

Manipulation. Manipulation means physically interacting with the world to move or control objects. It is ultimately what sets robots apart from any other technology. It includes, but is not limited to, arms, hands and jamming balloons. For example, our defense and security robots employ manipulation capabilities with varying lifting capacity and range of motion.

Combining these four components, we have created proprietary, reusable building blocks of robotics capabilities, including mobility platforms, manipulators, navigation and control algorithms and user interfaces. Our technology building blocks typically allow us to take a known platform and modify it for a new mission instead of starting from scratch for each application. We believe this allows us to design and develop innovative robots quickly and cost-effectively.

Products

We design and market robots for the consumer, defense and security, telemedicine, and mobile video collaboration markets. With over two decades of leadership in the robot industry, we remain committed to establishing robot and software platforms for invention and discovery, building key partnerships to develop mission-critical payloads and creating robots that improve the standards of safety and living worldwide.

Consumer Products

We sell various products that are designed for use in and around the home. Our current consumer products are focused on both indoor and outdoor cleaning applications. We believe our consumer products provide value to our customers by delivering a better way to clean and by freeing people from repetitive home cleaning tasks.

We currently offer multiple Roomba floor vacuuming robots with varying price points ranging from \$299 to \$699 based upon features and performance characteristics. Our Roomba robot's compact disc shape allows it to clean under kick boards, beds and other furniture, resulting in cleaner floors since the Roomba can access more of the floor than standard upright vacuum cleaners. In addition, Roomba eliminates the need to manually vacuum -- it cleans automatically upon the push of a button or through scheduling. The Roomba 600 series robots offer a three-stage cleaning system which thoroughly vacuums every section of the floor multiple times, as well as AeroVac technology and improved brush design enabling the robot to better handle fibers like hair, pet fur, lint and carpet fuzz. The Roomba 700 series robots offer improved debris pick up, a larger debris bin that vigorously pulls debris and hair off brushes into the bin, and dual HEPA air filters that capture dust particles as fine as 0.3 microns. In 2013, we introduced the revolutionary Roomba 800 series robots that incorporate new brushless, counter-rotating extractors that amplify suction for superior performance over bristle brushes, while requiring less maintenance than previous Roomba models.

We currently offer the Braava automatic floor mopping robots designed exclusively for hard surface floors with a price of \$299 based upon performance features. These robots provide a different cleaning approach than our Roomba products. The Braava automatically dusts and damp mops hard surface floors using popular cleaning cloths or our specially designed reusable microfiber cloths, and includes a special reservoir that dispenses liquid throughout the cleaning cycle to keep the cloth damp.

In January 2014, we introduced the Scooba 450 floor scrubbing robot with a price point of \$599. Unlike a conventional mop that spreads dirty water on the floor, Scooba will apply only fresh water and cleaning solution to the floor from a clean tank. Scooba will clean dirt and grime, is safe for use on all sealed, hard floor surfaces, including wood and tile, and is smart enough to avoid carpet. The Scooba 450 uses the new Scooba Three-Cycle Cleaning Process that automatically sweeps and pre-soaks, scrubs and finishes with a final squeegee while washing away bacteria.

Our Mirra Pool Cleaning Robot is used to clean residential pools and removes debris as small as two microns from pool floors, walls and stairs. Mirra is brought to market under the iRobot brand through a relationship with Aquatron, Inc., which developed the pool cleaning robots. Our Looj Gutter Cleaning Robot was designed to simplify the difficult and dangerous job of gutter cleaning. The Looj cleans an entire stretch of gutter, reducing the number of times a ladder must be repositioned and climbed during gutter cleaning. The Looj also features a detachable handle that doubles as a wireless remote control, providing full control of the robot while cleaning.

Defense and Security Products

In defense and security product markets, we currently offer several unmanned ground vehicles. Our tactical ground robots include the combat-tested 510 PackBot, the 310 SUGV, the 110 FirstLook small, light, throwable robot, and the 710 Kobra multi-purpose robot capable of carrying heavy payloads. The PackBot, SUGV, FirstLook, and Kobra robots comprise a family of robots using many common platform components and offer our patented flipper technology that enables robots to easily climb stairs, navigate rubble, and penetrate inaccessible areas. These robots, which will begin to utilize the uPoint MRC system in 2015, a universal control system for our line of defense and security robots, are designed to keep war fighters and public safety officials out of harm's way and are designed for high-performance, durability and ease of use while performing search, reconnaissance, mapping, bomb disposal and other dangerous missions. As of December 27, 2014, we have delivered more than 5,000 robots to military and civil defense forces and research communities worldwide. The robots are currently priced between approximately \$20,000 and \$600,000 per unit, depending on model, configuration and quantities ordered.

We continue to refine the PackBot product line, focusing on enhanced modularity and providing new capabilities to support a variety of mission scenarios. Our unique Aware 2 software is incorporated into the advanced 510 PackBot chassis and operator control unit. As a result, PackBot can support multiple configurations and payloads with the same chassis and operator control unit, providing customers with a single robot capable of performing a variety of missions. We also utilize Configure-To-Order (CTO) procurement options for our commercial 510 PackBot, allowing customers to tailor the product to their specific mission needs. The combined benefits of the Aware 2 software and CTO procurement options establish the 510 PackBot as a truly modular multi-mission robotic platform.

The 110 FirstLook is an expandable, lightweight robot that performs persistent observation and investigates dangerous and hazardous material while keeping its operator out of harms way. The 310 SUGV is a lightweight, backpackable robot well-suited to dismounted operations. It has a modular design that accommodates a wide range of optional payloads and sensors, including a dexterous manipulator, and can easily climb stairs, roll over obstacles and enter inaccessible and dangerous areas. The 710 Kobra is a powerful, rugged, fast robot that supports or carries multiple and heavy payloads, and can lift up to 330 pounds.

Remote Presence Products

We currently have two products based upon our Ava mobile robotics platform. The U.S. Federal Drug and Administration approved RP-VITA telemedicine robot expands the reach of medical care by connecting physicians with patients from anywhere in the world. The RP-VITA combines the latest in autonomous navigation and mobility technologies developed by iRobot with the state-of-the-art telemedicine and electronic health record integration developed by InTouch Health. The RP-VITA, which is sold to healthcare customers by InTouch Health, was introduced in 2012 and began shipping in early 2013. Our Ava 500 Video Collaboration robot, which we began selling in 2014, delivers autonomous telepresence to the enterprise market, enabling remote workers to more personally collaborate throughout the workplace. The Ava 500 blends together our autonomous navigation capabilities with Cisco's TelePresence to enable people working off-site to participate in meetings, presentations and events where movement and location spontaneity are important.

Strategic Alliances

In addition to our internal technology development, we leverage relevant robotic technologies through licensing, acquisitions and/or other partnerships. These strategic alliances are an important part of our product development and distribution strategies. We rely on strategic alliances to provide technology, complementary product offerings and increased and quicker access to markets. We seek to form relationships with organizations that can provide best-in-class technology or market advantages for establishing iRobot technology in new market segments.

In 2011, we signed a joint development and licensing agreement with InTouch Health, a leading remote presence telemedicine solution provider, to explore potential opportunities for healthcare applications on iRobot platforms such as the Ava mobile robotics platform. This alliance resulted in the introduction in 2012 of the RP-VITA, the first autonomous navigation remote presence robot to receive U.S. Food and Drug Administration clearance for use in hospitals. The RP-VITA combines the latest in autonomous navigation and mobility technologies developed by iRobot with the state-of-the-art telemedicine and electronic health record integration developed by InTouch Health. Shipments of the RP-VITA began in early 2013.

In 2013, we signed a joint marketing agreement and have worked in close alliance with Cisco to bring our enterprise-grade Ava 500 Video Collaboration robot to market. The Ava 500, which blends together our autonomous navigation capabilities with Cisco's TelePresence to enable people working off-site to participate in meetings, presentations and events where movement and location spontaneity are important, began shipping in 2014 on a limited basis.

Our strategy of working closely with third parties extends to the design of our products. By offering extensible platforms designed to carry payloads, we have designed and manufactured our products to leverage the work of those individuals and organizations that offer specialized technological expertise. The PackBot, Kobra and FirstLook robots are designed with open interfaces that allow third-party developers to add payloads to our robots, improving their functionality.

Sales and Distribution Channels

We sell our products through distinct sales channels to the consumer, defense and security, telemedicine, and video collaboration markets. For the fiscal years ended December 27, 2014, December 28, 2013, and December 29, 2012, sales to non-U.S. customers accounted for 60.9%, 59.5% and 57.3% of total revenue, respectively. For the fiscal years ended December 27, 2014, December 28, 2013 and December 29, 2012, U.S. federal government orders, contracts and subcontracts accounted for 4.3%, 6.2% and 15.1% of total revenue, respectively. For the years ended December 27, 2014, December 28, 2013 and December 29, 2012, we generated an aggregate of 29.8%, 33.2% and 30.6% of our revenue, respectively from our home robots distributor in Japan (Sales on Demand Corporation) and a network of affiliated European distributors of our home robots.

Home Robots

In the United States and Canada, we sell our consumer products through a network of national retailers. In 2014, this network consisted of more than 30 retailers which often sell either one or some combination of our products. Certain smaller domestic retail operations are supported by distributors to whom we sell our products directly. In support of sales in the United States and Canada, we maintain an in-house sales and product management team. Outside of the United States and Canada, our products have been sold in more than 50 countries, primarily through a network of in-country distributors who resell to retail stores in their respective countries. These distributors are supported by our international sales and product marketing team.

Our retail and distributor networks are our primary distribution channels for our consumer products. We also offer products direct-to-consumer through our domestic and international on-line stores, representing 6.1%, 5.9% and 6.3% of total home robots business unit revenue for fiscal 2014, 2013 and 2012, respectively. We have established valuable databases and customer lists that allow us to target directly those consumers most likely to purchase a new robot or upgrade. We believe we maintain a close connection with our customers in each of our markets, which provides an enhanced position from which to improve our distribution and product offerings.

Defense and Security

We sell our defense and security products directly to end users and indirectly through prime contractors and distributors. While the majority of defense and security products have been sold to date to various operations within the U.S. federal government, we also sell to state and local agencies as well as to international government organizations, research labs, nuclear and industrial companies and universities. Our military products are sold overseas in compliance with the International Traffic in Arms Regulations, or ITAR. We have sold our products to the governments of various countries in the past several years, including the United Kingdom, France, Germany, Sweden, Norway, Italy, Brazil, Pakistan, Israel, Australia, Republic of Korea, Singapore, Bosnia, Lithuania, Qatar, Taiwan, South Africa and Canada.

Remote Presence

The RP-VITA telemedicine robot, which was jointly developed with InTouch Health and incorporates our Ava mobile robotics platform, is sold to healthcare customers by InTouch Health. Our Ava 500 Video Collaboration robot, which incorporates our Ava mobile robotics platform and Cisco's TelePresence, is available from certified Cisco partners on a limited basis.

Customer Service and Support

We also provide ongoing customer service and support. Consumer customer service representatives, the majority of whom are employees of outsourced service organizations or our distribution partners, are extensively trained on the technical intricacies of our consumer products. Defense and security customer representatives are usually former military personnel who are experienced in logistical and technical support requirements for military operations. Customer service for the RP-VITA product is provided by InTouch Health. Customer service for the Ava 500 is provided by iRobot.

Marketing and Brand

We market our home robots to end-user customers through our sales and marketing teams as well as through our extensive network of retailers and in-country distributors. We market our defense and security products directly through our team of government sales specialists to end users and indirectly through prime contractors. The RP-VITA product is marketed to healthcare customers by InTouch Health while our Ava 500 Video Collaboration product is marketed to enterprise customers by a combination of our sales and marketing teams in conjunction with select Cisco partners. Our website is also playing an increasing role in supporting brand awareness, addressing customer questions and serving as a showcase for our products.

Our marketing strategy is to increase our brand awareness and associate the iRobot brand with innovation, reliability, safety and value. Our sales and marketing expenses represented 15.5%, 14.7% and 15.2% of our total revenue in 2014, 2013 and 2012, respectively. We expect to continue to invest in national advertising, consumer and industry trade shows, direct marketing and public relations to further build brand awareness.

We believe that we have built a trusted, recognized brand by providing high-quality robots. We believe that customer word-of-mouth has been a significant driver of our brand's success to date, which can work very well for products that inspire a high level of user loyalty because users are likely to share their positive experiences. Our grass-roots marketing efforts focus on feeding this word-of-mouth momentum and we use public relations as well as advertising to promote our products.

Our innovative robots and public relations campaigns have generated extensive press coverage, and iRobot and our consumer robots have won several awards. Through these efforts, we have been able to build our brand, and we expect that our reputation for innovative products and customer support will continue to play a significant role in our growth and success.

Manufacturing

Our core competencies are the design, development and marketing of robots. Our manufacturing strategy is to outsource non-core competencies, such as the production of our robots, to third-party entities skilled in manufacturing. By relying on the outsourced manufacture of our consumer, military and remote presence robots, we can focus our engineering expertise on the design of robots.

Manufacturing a new product requires a close relationship between our product designers and the manufacturing organizations. Using multiple engineering techniques, our products are introduced to the selected production facility at an early-development stage and the feedback provided by manufacturing is incorporated into the design before tooling is finalized and mass production begins. As a result, we believe that we can significantly reduce the time required to move a product from its design phase to mass production deliveries, with improved quality and yields.

We outsource the manufacturing of our consumer products to four contract manufacturers, each of which manufactures at a single plant in China. We outsource the manufacturing of our defense and security robots to three contract manufacturers, all of which are located in the United States. We outsource our Ava mobile robotics platform to one contract manufacturer located in the United States.

Research and Development

We believe that our future success depends upon our ability to continue to develop new products and product accessories, and enhancements to and applications for our existing products. For the years ended December 27, 2014, December 28, 2013 and December 29, 2012, our research and development expenses were \$69.4 million, \$63.6 million and \$57.1 million, or 12.5%, 13.1% and 13.1% of revenue, respectively. We intend to continue our investment in research and development to respond to and anticipate customer needs, and to enable us to introduce new products over the next few years that will continue to address our existing and adjacent market sectors.

Our research and development is conducted by teams dedicated to particular projects. Our research and development efforts are primarily located at our headquarters in Bedford, Massachusetts and our office in Pasadena, California.

Competition

The market for robots is highly competitive, rapidly evolving and subject to changing technologies, shifting customer needs and expectations and the likely increased introduction of new products. We believe that a number of established

companies have developed or are developing robots that will compete directly with our product offerings, and many of our competitors have significantly more financial and other resources than we possess.

Our competitors include developers of robot floor cleaning products, developers of small unmanned ground vehicles, and developers of mobile robotic platforms and telepresence systems.

While we believe many of our customers purchase our Roomba floor vacuuming robots, Braava floor cleaning and Scooba floor washing robots as a supplement to, rather than a replacement for, their traditional vacuum cleaners and wet floor cleaning methods, we do compete in some cases with providers of traditional cleaning products.

We believe that the principal competitive factors in the market for robots include product features, performance for the intended mission, cost of purchase, total cost of system operation, including maintenance and support, ease of use, integration with existing equipment, quality, reliability, customer support, brand and reputation.

Our ability to remain competitive will depend to a great extent upon our ongoing performance in the areas of product development and customer support. We cannot provide assurance that our products will continue to compete favorably or that we will be successful in the face of increasing competition from new products and enhancements introduced by existing competitors or new companies entering the markets in which we provide products.

Intellectual Property

We believe that our continued success depends in large part on our proprietary technology, the intellectual skills of our employees and the ability of our employees to continue to innovate. We rely on a combination of patent, copyright, trademark and trade secret laws, as well as confidentiality agreements, to establish and protect our proprietary rights.

As of December 27, 2014, we held 297 U.S. patents, more than 300 foreign patents, additional design registrations, and more than 400 patent applications pending worldwide. Our U.S. patents will begin to expire in 2019. We will continue to file and prosecute patent (or design registration, as applicable) applications when and where appropriate to attempt to protect our rights in our proprietary technologies. We also encourage our employees to continue to invent and develop new technologies so as to maintain our competitiveness in the marketplace. It is possible that our current patents, or patents which we may later acquire, may be successfully challenged or invalidated in whole or in part. It is also possible that we may not obtain issued patents for our pending patent applications or other inventions we seek to protect. In that regard, we sometimes permit certain intellectual property to lapse or go abandoned under appropriate circumstances and due to uncertainties inherent in prosecuting patent applications, sometimes patent applications are rejected and we subsequently abandon them. It is also possible that we may not develop proprietary products or technologies in the future that are patentable, or that any patent issued to us may not provide us with any competitive advantages, or that the patents of others will harm or altogether preclude our ability to do business.

Our registered U.S. trademarks include iRobot, Roomba, Ava, Scooba, Mint, ViPR, NorthStar, Create, PackBot, FirstLook, iAdapt, Aware, Home Base, Looj, Braava, Kobra, AeroForce, uPoint, AeroVac, Mirra, and Virtual Wall. Our marks iRobot, Roomba, Virtual Wall, Scooba, and certain other trademarks, have also been registered in selected foreign countries.

Our means of protecting our proprietary rights may not be adequate and our competitors may independently develop technology that is similar to ours. Legal protections afford only limited protection for our technology. The laws of many countries do not protect our proprietary rights to as great an extent as do the laws of the United States. Despite our efforts to protect our proprietary rights, unauthorized parties have in the past attempted, and may in the future attempt, to copy aspects of our products or to obtain and use information that we regard as proprietary. Third parties may also design around our proprietary rights, which may render our protected products less valuable, if the design around is favorably received in the marketplace. In addition, if any of our products or the technology underlying our products is covered by third-party patents or other intellectual property rights, we could be subject to various legal actions. We cannot assure you that our products do not infringe patents held by others or that they will not in the future. We have received in the past communications from third parties relating to technologies used in our various robot products that have alleged infringement of patents or violation of other intellectual property rights. In response to these communications, we have contacted these third parties to convey our good faith belief that we do not infringe the patents in question or otherwise violate those parties' rights. Although there have been no additional actions or communications with respect to these allegations, we cannot assure you that we will not receive further correspondence from these parties, or not be subject to additional allegations of infringement from others. Litigation may be necessary to enforce our intellectual property rights, to protect our trade secrets, to determine the validity and scope of the proprietary rights of others, or to defend against claims of infringement or invalidity, misappropriation, or other claims. Any such litigation could result in substantial costs and diversion of our resources. Moreover, any settlement of or adverse judgment resulting from such litigation could require us to obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. Any required licenses may not be available to us on acceptable terms, if at all. If we attempt to design around the technology at issue or to find another provider of suitable alternative technology to permit us to continue offering applicable software or product solutions, our continued supply of software or

product solutions could be disrupted or our introduction of new or enhanced software or products could be significantly delayed.

Regulations

We are subject to various government regulations, including various U.S. federal government regulations as a contractor and subcontractor to the U.S. federal government. Among the most significant U.S. federal government regulations affecting our business are:

- the Federal Acquisition Regulations and supplemental agency regulations, which comprehensively regulate the formation and administration of, and performance under government contracts;
- the Truth in Negotiations Act, which requires certification and disclosure of all cost and pricing data in connection with contract negotiations;
- the Cost Accounting Standards, which impose accounting requirements that govern our right to reimbursement under cost-based government contracts;
- the Foreign Corrupt Practices Act, which prohibits U.S. companies from providing anything of value to a foreign official to help obtain, retain or direct business, or obtain any unfair advantages;
- the False Claims Act and the False Statements Act, which, respectively, impose penalties for payments made on the basis of false facts provided to the government, and impose penalties on the basis of false statements, even if they do not result in a payment; and
- laws, regulations and executive orders restricting the use and dissemination of information classified for national security purposes and the exportation of certain products and technical data.

We also need special security clearances to continue working on and advancing certain of our projects with the U.S. federal government. Classified programs generally will require that we comply with various Executive Orders, federal laws and regulations and customer security requirements that may include restrictions on how we develop, store, protect and share information, and may require our employees to obtain government clearances.

The nature of the work we do for the federal government may also limit the parties who may invest in or acquire us. Export laws may keep us from providing potential foreign acquirers with a review of the technical data they would be acquiring. In addition, there are special requirements for foreign parties who wish to buy or acquire control or influence over companies that control technology or produce goods in the security interests of the United States. There may need to be a review under the Exon-Florio provisions of the Defense Production Act. Finally, the government may require a prospective foreign owner to establish intermediaries to actually run that part of the company that does classified work, and establishing a subsidiary and its separate operation may make such an acquisition less appealing to such potential acquirers.

In addition, the export from the United States of many of our products may require the issuance of a license by the U.S. Department of Commerce under the Export Administration Act, as amended, and its implementing Regulations as kept in force by the International Emergency Economic Powers Act of 1977, as amended. Some of our products may require the issuance of a license by the U.S. Department of State under the Arms Export Control Act and its implementing Regulations, which licenses are generally harder to obtain and take longer to obtain than do Export Administration Act licenses.

Our business may require the compliance with state or local laws designed to limit the uses of personal user information gathered online or require online services to establish privacy policies.

Defense and Security Product Backlog

Our defense and security product backlog consists of written orders or contracts to purchase our products received from our defense and security customers. Total backlog of product sales to defense and security customers, which includes federal, state, local and foreign governments, and non-government customers, as of December 27, 2014, December 28, 2013 and December 29, 2012 amounted to approximately \$18.2 million, \$8.8 million and \$11.4 million respectively. There can be no assurance that any of our backlog will result in revenue.

Employees

As of December 27, 2014, we had 572 full-time employees located in the United States and abroad. We believe that we have a good relationship with our employees.

Available Information

We were incorporated in California in August 1990 under the name IS Robotics, Inc. and reincorporated as IS Robotics Corporation in Massachusetts in June 1994. We reincorporated in Delaware as iRobot Corporation in December 2000. We conduct operations and maintain a number of subsidiaries in the United States and abroad, including operations in Hong Kong, the United Kingdom and China. We also maintain iRobot Securities Corporation, a Massachusetts securities corporation, to invest our cash balances on a short-term basis. Our website address is www.irobot.com. Our Annual Report on Form 10-K,

Quarterly Reports on Form 10-Q, Current Reports on Form 8-K and amendments to those reports filed or furnished pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934 are available free of charge through the investor relations page of our internet website as soon as reasonably practicable after we electronically file such material with, or furnish it to, the Securities and Exchange Commission. Alternatively, these reports may be accessed at the SEC's website at www.sec.gov.

ITEM 1A. RISK FACTORS

We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. This discussion highlights some of the risks which may affect future operating results. These are the risks and uncertainties we believe are most important for you to consider. Additional risks and uncertainties not presently known to us, which we currently deem immaterial or which are similar to those faced by other companies in our industry or business in general, may also impair our business operations. If any of the following risks or uncertainties actually occurs, our business, financial condition and operating results would likely suffer.

Risks Related to Our Business

We operate in an emerging market, which makes it difficult to evaluate our business and future prospects.

Robots represent a new and emerging market. Accordingly, our business and future prospects are difficult to evaluate. We cannot accurately predict the extent to which demand for consumer robots will increase, if at all. Moreover, there are only a limited number of programs under which the U.S. federal government is currently funding the development or purchase of defense robots. Our remote presence robot business remains in an investment stage, where market demand is uncertain. You should consider the challenges, risks and uncertainties frequently encountered by companies using new and unproven business models in rapidly evolving markets. These challenges include our ability to:

- generate sufficient revenue and gross margin to maintain profitability;
- acquire and maintain market share in our consumer and defense markets;
- attract and retain customers of our consumer robots;
- attract and retain additional engineers and other highly-qualified personnel;
- expand our product offerings beyond our existing robots; and
- adapt to new or changing policies and spending priorities of governments and government agencies.

If we fail to successfully address these and other challenges, risks and uncertainties, our business, results of operations and financial condition would be materially harmed.

Our financial results often vary significantly from quarter-to-quarter due to a number of factors, which may lead to volatility in our stock price.

Our quarterly revenue and other operating results have varied in the past and are likely to continue to vary significantly from quarter-to-quarter in the future. These fluctuations may be due to numerous factors including:

- the size, timing and mix of orders from retail stores and international distributors for our home care robots;
- the size and timing of orders from military and other government agencies;
- the mix of products that we sell in the period;
- disruption of supply of our products from our manufacturers;
- disruptions to our supply chain due to inclement weather, labor disruptions or other factors beyond our control;
- seasonality in the sales of our military and consumer products;
- unanticipated costs incurred in the introduction of new products;
- costs and availability of labor and raw materials;
- costs of freight;
- changes in our rate of returns for our consumer products;
- our ability to introduce new products and enhancements to our existing products on a timely basis;
- warranty costs associated with our consumer products;
- the amount of government funding and the political, budgetary and purchasing constraints of our government agency customers; and
- cancellations, delays or contract amendments by government agency customers.

We cannot be certain that our revenues will grow at rates that will allow us to maintain profitability during every fiscal quarter, or even every fiscal year. We base our current and future expense levels on our internal operating plans and sales forecasts, including forecasts of holiday sales for our consumer products. A significant portion of our operating expenses, such

as research and development expenses, certain marketing and promotional expenses and employee wages and salaries, do not vary directly with sales and are difficult to adjust in the short term. As a result, if sales for a quarter are below our expectations, we might not be able to reduce operating expenses for that quarter and, therefore, we would not be able to reduce our operating expenses for the fiscal year. Accordingly, a sales shortfall during a fiscal quarter, and in particular the fourth quarter of a fiscal year, could have a disproportionate effect on our operating results for that quarter or that year. Because of quarterly fluctuations, we believe that quarter-to-quarter comparisons of our operating results are not necessarily meaningful. Moreover, our operating results may not meet expectations of equity research analysts or investors. If this occurs, the trading price of our common stock could fall substantially either suddenly or over time.

Global economic conditions and any associated impact on consumer spending could have a material adverse effect on our business, results of operations and financial condition.

Continued economic uncertainty and reductions in consumer spending, particularly in certain international markets such as the European Union and Japan, may result in reductions in sales of our consumer robots. Additionally, disruptions in credit markets may materially limit consumer credit availability and restrict credit availability of our retail customers, which would also impact purchases of our consumer robots. Any reduction in sales of our consumer robots, resulting from reductions in consumer spending or continued disruption in the availability of credit to retailers or consumers, could materially and adversely affect our business, results of operations and financial condition.

Because we are a global business that in 2014 generated approximately 61% of our total revenue from sales to customers outside of the United States, we are subject to a number of additional risks including foreign currency fluctuations. These fluctuations may make our products more expensive to our distributors, which in turn may impact sales directly or the ability or willingness of our distribution partners to invest in growing product demand.

The majority of our business currently depends on our consumer robots, and our sales growth and operating results would be negatively impacted if we are unable to enhance our current consumer robots or develop new consumer robots at competitive prices or in a timely manner, or if the consumer robot market does not achieve broad market acceptance.

For the years ended December 27, 2014 and December 28, 2013, we derived 91.1% and 87.8% of our total revenue from our consumer robots, respectively. For the foreseeable future, we expect that a significant portion of our revenue will be derived from sales of consumer robots in general and home floor care products in particular. Accordingly, our future success depends upon our ability to further penetrate the consumer home care market, to enhance our current consumer products and develop and introduce new consumer products offering enhanced performance and functionality at competitive prices. The development and application of new technologies involve time, substantial costs and risks. Our inability to achieve significant sales of our newly introduced robots, or to enhance, develop and introduce other products in a timely manner, or at all, would materially harm our sales growth and operating results.

Even if consumer robots gain wide market acceptance, our robots may not adequately address market requirements and may not continue to gain market acceptance. If robots generally, or our robots specifically, do not gain wide market acceptance, we may not be able to achieve our anticipated level of growth, and our revenue and results of operations would suffer.

We depend on the U.S. federal government for a portion of our revenue, and any unexpected reduction in the amount of business that we do with the U.S. federal government would negatively impact our operating results and financial condition.

For the years ended December 27, 2014 and December 28, 2013, we derived 4.3% and 6.2% of our total revenue, respectively, directly or indirectly, from the U.S. federal government and its agencies. Further reduction in the amount of revenue that we derive from a limited number of U.S. federal government agencies without an offsetting increase in new sales to other customers would have a material adverse effect on our operating results.

Specifically, the defense industry in which we operate is dependent upon the level of equipment expenditures by the armed forces of countries throughout the world, and especially those of the United States, which represents a significant portion of world-wide defense expenditures. In prior years, the war on terror increased the level of equipment expenditures by the U.S. armed forces; however, this level of spending does not appear to be sustainable in light of government spending priorities by the U.S. and the continued winding down of U.S. armed forces operations in Iraq and Afghanistan.

Future sales of our military robots will depend largely on our ability to secure contracts with the U.S. military under its robot programs. We expect that there will continue to be only a limited number of programs under which U.S. federal government agencies will seek to fund the development of, or purchase, robots. Moreover, it is difficult to predict the timing of the award of government contracts and our revenue could fluctuate significantly based on the timing of any such awards.

We depend on single source manufacturers, and our reputation and results of operations would be harmed if these manufacturers fail to meet our requirements.

We currently depend largely on several single source contract manufacturers, for the manufacture of our various families of home care and defense products. All contract manufacturers for our home robots are located in China. These manufacturers supply substantially all of the raw materials and provide all facilities and labor required to manufacture our products. If these companies were to terminate their arrangements with us or fail to provide the required capacity and quality on a timely basis, we would be unable to manufacture our products until replacement contract manufacturing services could be obtained or volume transferred to an alternative manufacturing partner, each of which is a costly and time-consuming process. We cannot assure you that we would be able to establish alternative manufacturing arrangements on acceptable terms or in a timely manner.

Our reliance on these contract manufacturers involves certain risks, including the following:

- lack of direct control over production capacity and delivery schedules;
- lack of direct control over quality assurance, manufacturing yields and production costs;
- lack of enforceable contractual provisions over the production and costs of consumer products;
- risk of loss of inventory while in transit;
- risks associated with international commerce, including unexpected changes in legal and regulatory requirements, changes in tariffs and trade policies, risks associated with the protection of intellectual property and political and economic instability; and
- our attempts to add additional manufacturing resources may be significantly delayed and thereby create disruptions in production of our products.

Any interruption in the manufacture of our products would be likely to result in delays in shipment, lost sales and revenue and damage to our reputation in the market, all of which would harm our business and results of operations. In addition, while our contract obligations with our contract manufacturers in China are typically denominated in U.S. dollars, changes in currency exchange rates could impact our suppliers and increase our prices.

Any efforts to expand our product offerings beyond our current markets may not succeed, which could negatively impact our operating results.

We have focused on selling our robots in the home floor care and defense markets. We are actively expanding into new markets, in particular remote presence robots for telemedicine and business collaboration, and we plan to expand into other markets. Efforts to expand our product offerings beyond the markets that we currently serve, however, may divert management resources from existing operations and require us to commit significant financial resources to an unproven business, either of which could significantly impair our operating results. Moreover, efforts to expand beyond our existing markets may never result in new products that achieve market acceptance, create additional revenue or become profitable.

If we fail to maintain or increase consumer robot sales through our distribution channels, our operating results would be negatively impacted.

We do not have long-term contracts regarding purchase volumes with any of our retail partners. As a result, purchases generally occur on an order-by-order basis, and the relationships, as well as particular orders, can generally be terminated or otherwise materially changed at any time by our retail partners. A decision by a major retail partner, whether motivated by competitive considerations, financial difficulties, economic conditions or otherwise, to decrease its purchases from us, to reduce the shelf space for our products or to change its manner of doing business with us could significantly damage our consumer product sales and negatively impact our business, financial condition and results of operations. In addition, during recent years, various retailers, including some of our partners, have experienced significant changes and difficulties, including consolidation of ownership, increased centralization of purchasing decisions, restructurings, bankruptcies and liquidations. These and other financial problems of some of our retailers increase the risk of extending credit to these retailers. A significant adverse change in a retail partner relationship with us or in a retail partner's financial position could cause us to limit or discontinue business with that partner, require us to assume more credit risk relating to that partner's receivables or limit our ability to collect amounts related to previous purchases by that partner, all of which could harm our business and financial condition. Disruption of the iRobot on-line store could also decrease our home care robot sales.

Our contracts with the U.S. federal government contain certain provisions that may be unfavorable to us and subject us to government audits, which could materially harm our business and results of operations.

Our contracts and subcontracts with the U.S. federal government subject us to certain risks and give the U.S. federal government rights and remedies not typically found in commercial contracts, including rights that allow the U.S. federal government to:

- terminate contracts for convenience, in whole or in part, at any time and for any reason;
- reduce or modify contracts or subcontracts if its requirements or budgetary constraints change;
- cancel multi-year contracts and related orders if funds for contract performance for any subsequent year become unavailable;
- exercise production priorities, which allow it to require that we accept government purchase orders or produce products under its contracts before we produce products under other contracts, which may displace or delay production of more profitable orders;
- claim certain rights in products provided by us; and
- control or prohibit the export of certain of our products.

Several of our prime contracts with the U.S. federal government do not contain a limitation of liability provision, creating a risk of responsibility for direct and consequential damages. Several subcontracts with prime contractors hold the prime contractor harmless against liability that stems from our work and do not contain a limitation of liability. These provisions could cause substantial liability for us, especially given the use to which our products may be put.

In addition, we are subject to audits by the U.S. federal government as part of routine audits of government contracts. As part of an audit, these agencies may review our performance on contracts, cost structures and compliance with applicable laws, regulations and standards. If any of our costs are found to be allocated improperly to a specific contract, the costs may not be reimbursed and any costs already reimbursed for such contract may have to be refunded. Accordingly, an audit could result in a material adjustment to our revenue and results of operations. Moreover, if an audit uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with the government.

If any of the foregoing were to occur, or if the U.S. federal government otherwise ceased doing business with us or decreased the amount of business with us, our business and operating results could be materially harmed and the value of your investment in our common stock could be impaired.

Some of our contracts with the U.S. federal government allow it to use inventions developed under the contracts and to disclose technical data to third parties, which could harm our ability to compete.

Some of our contracts allow the U.S. federal government rights to use, or have others use, patented inventions developed under those contracts on behalf of the government. Some of the contracts allow the federal government to disclose technical data without constraining the recipient in how that data is used. The ability of third parties to use patents and technical data for government purposes creates the possibility that the government could attempt to establish additional sources for the products we provide that stem from these contracts. It may also allow the government the ability to negotiate with us to reduce our prices for products we provide to it. The potential that the government may release some of the technical data without constraint creates the possibility that third parties may be able to use this data to compete with us in the commercial sector.

We face intense competition from other providers of robots, including diversified technology providers, as well as competition from providers offering alternative products, which could negatively impact our results of operations and cause our market share to decline.

We believe that a number of companies have developed or are developing robots that will compete directly with our product offerings. Additionally, large and small companies, government-sponsored laboratories and universities are aggressively pursuing contracts for robot-focused research and development. Many current and potential competitors have substantially greater financial, marketing, research and manufacturing resources than we possess, and there can be no assurance that our current and future competitors will not be more successful than us. Moreover, while we believe many of our customers purchase our floor vacuuming robots as a supplement to, rather than a replacement for, their traditional vacuum cleaners; we also compete in some cases with providers of traditional vacuum cleaners. Our competitors include developers of robot floor cleaning products, developers of small unmanned ground vehicles, and established government contractors working on unmanned systems.

The market for robots is highly competitive, rapidly evolving and subject to changing technologies, shifting customer needs and expectations and the likely increased introduction of new products. Our ability to remain competitive will depend to a great extent upon our ongoing performance in the areas of product development and customer support.

In the event that the robot market expands further, we expect that competition will intensify as additional competitors enter the market and current competitors expand their product lines. Companies competing with us may introduce products that are competitively priced, have increased performance or functionality, or incorporate technological advances that we have not yet developed or implemented. Increased competitive pressure could result in a loss of sales or market share or cause us to lower prices for our products, any of which would harm our business and operating results.

We cannot assure you that our products will continue to compete favorably or that we will be successful in the face of increasing competition from new products and enhancements introduced by existing competitors or new companies entering the markets in which we provide products. Our failure to compete successfully could cause our revenue and market share to decline, which would negatively impact our results of operations and financial condition.

If critical components of our products that we currently purchase from a small number of suppliers become unavailable, we may incur delays in shipment, which could damage our business.

We and our outsourced manufacturers obtain hardware components, various subsystems, raw materials and batteries from a limited group of suppliers, some of which are sole suppliers. We do not have any long-term agreements with these suppliers obligating them to continue to sell components or products to us. If we or our outsourced manufacturers are unable to obtain components from third-party suppliers in the quantities and of the quality that we require, on a timely basis and at acceptable prices, we may not be able to deliver our products on a timely or cost-effective basis to our customers, which could cause customers to terminate their contracts with us, reduce our gross margin and seriously harm our business, results of operations and financial condition. Moreover, if any of our suppliers become financially unstable, we may have to find new suppliers. It may take several months to locate alternative suppliers, if required, or to re-tool our products to accommodate components from different suppliers. We may experience significant delays in manufacturing and shipping our products to customers and incur additional development, manufacturing and other costs to establish alternative sources of supply if we lose any of these sources. We cannot predict if we will be able to obtain replacement components within the time frames that we require at an affordable cost, or at all.

Our products are complex and could have unknown defects or errors, which may give rise to claims against us, diminish our brand or divert our resources from other purposes.

Our robots rely on the interplay among behavior-based artificially intelligent systems, real-world dynamic sensors, user-friendly interfaces and tightly-integrated, electromechanical designs to accomplish their missions. Despite testing, our new or existing products have contained defects and errors and may in the future contain defects, errors or performance problems when first introduced, when new versions or enhancements are released, or even after these products have been used by our customers for a period of time. These problems could result in expensive and time-consuming design modifications or warranty charges, delays in the introduction of new products or enhancements, significant increases in our service and maintenance costs, exposure to liability for damages, mandatory or voluntary recall or product upgrades, damaged customer relationships and harm to our reputation, any of which could materially harm our results of operations and ability to achieve market acceptance. Our quality control procedures relating to the raw materials and components that it receives from third-party suppliers as well as our quality control procedures relating to its products after those products are designed, manufactured and packaged may not be sufficient. In addition, increased development and warranty costs, including the costs of any mandatory or voluntary recall, could be substantial and could reduce our operating margins. Moreover, because military robots are used in dangerous situations, the failure or malfunction of any of these robots, including our own, could significantly damage our reputation and support for robot solutions in general. The existence of any defects, errors, or failures in our products could also lead to product liability claims or lawsuits against us. A successful product liability claim could result in substantial cost, diminish our brand and divert management's attention and resources, which could have a negative impact on our business, financial condition and results of operations.

If we are unable to attract and retain additional skilled personnel, we may be unable to grow our business.

To execute our growth plan, we must attract and retain additional, highly-qualified personnel. Competition for hiring these employees is intense, especially with regard to engineers with high levels of experience in designing, developing and integrating robots. Many of the companies with which we compete for hiring experienced employees have greater resources than we have. If we fail to attract new technical personnel or fail to retain and motivate our current employees, our business and future growth prospects could be severely harmed.

We may be sued by third parties for alleged infringement of their proprietary rights, which could be costly, time-consuming and limit our ability to use certain technologies in the future.

If the size of our markets increases, we would be more likely to be subject to claims that our technologies infringe upon the intellectual property or other proprietary rights of third parties. In addition, the vendors from which we license technology used in our products could become subject to similar infringement claims. Our vendors, or we, may not be able to withstand third-party infringement claims. Any claims, with or without merit, could be time-consuming and expensive, and could divert our management's attention away from the execution of our business plan. Moreover, any settlement or adverse judgment resulting from the claim could require us to pay substantial amounts or obtain a license to continue to use the technology that is the subject of the claim, or otherwise restrict or prohibit our use of the technology. There can be no assurance that we would be able to obtain a license from the third party asserting the claim on commercially reasonable terms, if at all, that we would be able to develop alternative technology on a timely basis, if at all, or that we would be able to obtain a license to use a suitable